

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**W-01654-A**  
**Farmers Water Co.**  
**PO Box 7**  
**Sahuarita, AZ 85629**

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>9</b>	<b>30</b>	<b>2010</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>11</b>
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3-17-11

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>FARMERS WATER CO.</u>		
<b>Mailing Address</b> <u>P.O. BOX 7 (1525 E. SAHUARITA RD.)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>n/a</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>n/a</u>		
<b>Local Office Mailing Address</b> <u>P.O. Box 7 (1525 E. SAHUARITA RD.)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Local Office Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>n/a</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>n/a</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>WARREN E. CULBERTSON</u>		<u>CEO</u>
(Name)		(Title)
<u>1525 E. SAHUARITA RD.</u> (Street)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)
<u>85629</u> (Zip)		
<u>520-879-7473</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>520-400-2111</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>n/a</u>		
<b>On Site Manager:</b> <u>JOHN (JACK) MILLER</u>		
(Name)		
<u>1525 E. SAHUARITA RD.</u> (Street)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)
<u>85629</u> (Zip)		
<u>520-879-7432</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>520-444-7820</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>n/a</u>		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: T. PATRICK GRIFFIN

ONE SOUTH CHURCH

(Street)

TUCSON

(City)

AZ

(State)

85701

(Zip)

520-792-3836

Telephone No. (Include Area Code)

520-792- 2853

Fax No. (Include Area Code)

n/a

Cell No. (Include Area Code)

Attorney: same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	6,893		6,893
303	Land and Land Rights			
304	Structures and Improvements	14,565	7,767	6,798
307	Wells and Springs	694,075	393,074	301,001
311	Pumping Equipment	269,905	269,905	0
320	Water Treatment Equipment	10,482	10,482	0
330	Distribution Reservoirs and Standpipes	480,424	212,025	268,399
331	Transmission and Distribution Mains	6,852,291	1,253,916	5,598,375
333	Services	902,120	251,767	650,353
334	Meters and Meter Installations	353,647	162,365	191,282
335	Hydrants	315,945	77,748	238,197
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	103,201	92,501	10,700
341	Transportation Equipment	52,060	47,363	4,697
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	10,055,611	2,778,913	7,276,698

This amount goes on the Balance Sheet Acct. No. 108



**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	6,893		
303	Land and Land Rights			
304	Structures and Improvements	14,565	3.33%	485
307	Wells and Springs	694,075	3.33%	23,113
311	Pumping Equipment	269,905	0%	0
320	Water Treatment Equipment	10,482	0%	0
330	Distribution Reservoirs and Standpipes	480,424	2.22%	10,665
331	Transmission and Distribution Mains	6,852,291	2.00%	137,046
333	Services	902,120	3.33%	30,041
334	Meters and Meter Installations	353,647	8.33%	28,410
335	Hydrants	315,945	2.86%	6,319
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	103,201	20.00%	20,640
341	Transportation Equipment	52,060	20.00%	10,412
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	10,055,611		267,131

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ (9,716)	\$ ( 421)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	54,009	62,366
146	Notes/Receivables from Associated Companies	1,130,284	1,103,040
151	Plant Material and Supplies		
162	Prepayments	(751)	3,788
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$1,173,826</b>	<b>\$1,168,773</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$9,430,862	\$10,055,611
103	Property Held for Future Use		
105	Construction Work in Progress		131,516
108	Accumulated Depreciation – Utility Plant	(3,028,283)	(2,778,913)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$6,402,579</b>	<b>\$ 7,408,214</b>
	<b>TOTAL ASSETS</b>	<b>\$7,576,405</b>	<b>\$8,576,987</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 20,040	\$ 12,291
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	32,658	39,017
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 52,698	\$ 51,308
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	7,633,818	6,922,843
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	755,510	1,791,743
272	Less: Amortization of Contributions	( 57,862)	( 187,576)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$8,331,466	\$8,527,010
	<b>TOTAL LIABILITIES</b>	\$8,384,164	\$8,578,318
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 2,500	\$ 2,500
211	Paid in Capital in Excess of Par Value	497,500	497,500
215	Retained Earnings	(1,307,759)	( 501,331)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$(807,759)	\$( 1,331)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$7,576,405</b>	<b>\$8,576,987</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 595,267	\$ 714,312
460	Unmetered Water Revenue		
474	Other Water Revenues	15,293	872,515
	<b>TOTAL REVENUES</b>	<b>\$ 610,560</b>	<b>1,586,827</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 218,916	\$ 222,592
610	Purchased Water		
615	Purchased Power	68,008	74,178
618	Chemicals		
620	Repairs and Maintenance	83,218	107,162
621	Office Supplies and Expense	16,348	15,008
630	Outside Services	25,720	18,890
635	Water Testing	21,943	11,341
641	Rents		
650	Transportation Expenses	5	5
657	Insurance – General Liability	3,003	3,068
659	Insurance - Health and Life	27,745	22,786
666	Regulatory Commission Expense – Rate Case	40,079	33,265
675	Miscellaneous Expense	25,889	22,811
403	Depreciation Expense (LESS: Amortization)	300,207	227,905
408	Taxes Other Than Income		
408.11	Property Taxes	18,939	21,387
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 850,020</b>	<b>\$ 780,398</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$(239,460)</b>	<b>806,429</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$(239,460)</b>	<b>\$ 806,429</b>



**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ 43,916.50 \_\_\_\_\_

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/10</b>
<b>Name of System: Sahuarita</b>	<b>ADEQ Public Water System Number:</b>	<b>PWS 10-048</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **Sahuarita**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-534922(S-52A)	30	210	1520	8	4	1993
55-624001(S-52)	60	625	1200	14/12	8	1974

\* Arizona Department of Water Resources Identification Number

## **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
15	1		
7 1/2	1		
3/4	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
17,500 gals	2	5,000 gals	1
30,000 gals	1		

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/10</b>
<b>Name of System:</b>	<b>Continental</b>	<b>ADEQ Public Water System Number: PWS 10-049</b>

**WATER COMPANY PLANT DESCRIPTION**  
**CONTINENTAL**  
**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-624012(E5A)	75	525	520	16	8	1959
55-624020(E-13A)	60	575	1100	18	8	1953
55-624028(NP-2)	10	25	375	16	1	1977
55-210420(E-17) (Not in use to date)	50	500	800	12 ¾	n/a	2006

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
60	4	242	
30	3		
20	2		
15	4		
10	1		
¾	1		
3	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
1,000,000 gals	1	5,000 gals	5
500,000 gals	1		
75,000 gals	1		
8,000 gals	1		

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/10</b>
<b>Name of System:</b>	<b>Santa Rita Springs</b>	<b>ADEQ Public Water System Number:</b>
		<b>PWS 10-213</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **Santa Rita Springs**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-624025	200	1875	1186	18/16	12	1974

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
50	2	122	
25	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
1,000,000 gals	1	5,000 gals	1
		10,000 gals	1

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/10</b>
<b>Name of System:</b>	<b>Sahuarita Highlands</b>	<b>ADEQ Public Water System Number: PWS 10-414</b>

### **WATER COMPANY PLANT DESCRIPTION**

#### **Sahuarita Highlands**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-201058	30	200	600	12 ¾	4	2004

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
10	1	38	
25	1		
50	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
200,500 gals	1	5,000 gals	1

<b>COMPANY NAME</b> FARMERS WATER CO.	<b>09/30/10</b>
<b>Name of System:</b> Sahuarita	<b>ADEQ Public Water System Number: PWS 10-048</b>

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

#### Sahuarita S-52 & S-52A

#### MAINS

Size (in inches)	Material	Length (in feet)
2	iron	2971
3	iron	1627
4	iron	1722
5		
6	Dip	377
8		
10		
12	Dip	296
16		
4	PVC	3822
6	PVC	2681
8	PVC	3785
12		
16		

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	70
3/4	
1	5
1 1/2	1
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
<b>Total</b>	<b>78</b>

**For the following three items, list the utility owned assets in each category for each system.**

#### TREATMENT EQUIPMENT:

One (1) chlorine tablet injection system at Sahuarita Pumping Station.

#### STRUCTURES:

S-52 well site: 6' chain link fence 96' LF perimeter.

S-52A well site: 6' chain link fence 90' LF perimeter.

Sahuarita storage & pumping station: 6' chain link fence 260' LF perimeter.

#### OTHER:

Two (2) Ford F-150 pickups.

One (1) Ford F-250 small truck.

One (1) Mercury Grand Marquis.

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b> FARMERS WATER CO.	<b>09/30/10</b>
<b>Name of System: Continental</b>	<b>ADEQ Public Water System Number: PWS 10-049</b>

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**Continental, Madera Highlands & NP-2**

#### **MAINS**

<b>Size (in inches)</b>	<b>Material</b>	<b>Length (in feet)</b>
2	iron	1386
3	iron	1755
4	iron	1955
5		
6	Dip	1290
8	Dip	1115
10		
12	Dip	3954
16	Dip	3390
4	PVC	11,388
6	PVC	22,145
8	PVC	80,456
12	PVC	9,803
16	PVC	600

#### **CUSTOMER METERS**

<b>Size (in inches)</b>	<b>Quantity</b>
5/8 X 3/4	876
3/4	
1	206
1 1/2	14
2	36
<b>Comp. 3</b>	
<b>Turbo 3</b>	1
<b>Comp. 4</b>	
<b>Tubo 4</b>	1
<b>Comp. 6</b>	
<b>Tubo 6</b>	2
<b>Total</b>	1136

**For the following three items, list the utility owned assets in each category for each system.**

#### **TREATMENT EQUIPMENT:**

Four (4) Chlorine tablet injection systems.

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#### **STRUCTURES:**

Wood storage bldg. 128 sq ft with 188 LF perimeter 6' chain link fence.

Wood storage bld. 60 sq ft with 598 LF perimeter 6' chain link fence.

NP-2 well site: 108 LF perimeter 6' chain link fence.

Pump station at Colonia Real: 451 LF perimeter 6' chain link fence.

E-13A Well Site: 195 LF of 6' chain link fence.

E-13A Pump Station: 542 LF of block wall (tiered; height varies with terrain) and 6' chain link fence.

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#### **OTHER:**

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

COMPANY NAME FARMERS WATER CO.

09/30/10

Name of System: Santa Rita Springs

ADEQ Public Water System Number: PWS 10-213

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

Santa Rita Springs – W-11

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	2,727
6	ACP	2,835
12	ACP	2,723
6	Dip	217
8	Dip	90
12	Dip	1,120
16		
4	PVC	6,184
6	PVC	18,608
8	PVC	18,181
12	PVC	13,249
16		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	1281
3/4	
1	37
1 1/2	1
2	8
Comp. 3	
Turbo 3	1
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
Total	1328

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

One (1) Chlorine tablet injection systems. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**STRUCTURES:**

1-60 sq ft storage bldg at pump station with 224 LF of perimeter 6' chain link fence.  
 W-11 well site: 143 LF of 8' block wall.

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate sheets for each system.***



<b>COMPANY NAME</b> FARMERS WATER CO.	<b>09/30/10</b>
<b>Name of System:</b> Sahuarita Highlands	<b>ADEQ Public Water System Number:</b> PWS 10-414

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**Continental, Madera Highlands & NP-2**

#### **MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	945
5		
6	PVC	2115
8	PVC	21,850
10		
12	PVC	498
16		
4		
6		
8		
12		
16		

#### **CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	10
3/4	
1	21
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
<b>Total</b>	<b>31</b>

**For the following three items, list the utility owned assets in each category for each system.**

#### **TREATMENT EQUIPMENT:**

One (1) Chlorine tablet injection systems.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### **STRUCTURES:**

Well and pump station site: 8' block – 606 LF.

\_\_\_\_\_

**OTHER:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

COMPANY NAME: FARMERS WATER CO.	09/30/10
Name of System: Sahuarita	ADEQ Public Water System Number: 10-048

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

S-52 + S-52A

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 09	79	1,977	2,067	0
NOVEMBER 09	80	2,492	2,597	0
DECEMBER 09	80	2,428	2,461	0
JANUARY 10	80	2,671	2,791	0
FEBRUARY 10	80	1,899	1,907	0
MARCH 10	79	2,511	2,601	0
APRIL 10	79	2,844	3,003	0
MAY 10	79	3,112	3,150	0
JUNE 10	80	3,889	4,031	0
JULY 10	78	3,268	3,422	0
AUGUST 10	79	2,840	3,016	0
SEPTEMBER 10	78	2,823	2,916	0
TOTALS →		<b>32,754</b>	<b>33,962</b>	0

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l

(If more than one well, please list each separately.) P.O.E. #1 3.3ppb 4/16/09

If system has fire hydrants, what is the fire flow requirement? \_\_N/A\_\_ GPM for \_\_N/A\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( X ) Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME: FARMERS WATER CO.	09/30/09
---------------------------------	----------

COMPANY NAME: FARMERS WATER CO.		09/30/10
Name of System: Continental	ADEQ Public Water System Number:	10-049

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

E-5A + E-13A + NP-2

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 09	1079	13,095	13,290	0
NOVEMBER 09	1082	12,541	14,262	0
DECEMBER 09	1085	9,842	10,517	0
JANUARY 10	1090	12,408	13,595	0
FEBRUARY 10	1100	9,003	9,984	0
MARCH 10	1113	10,770	12,019	0
APRIL 10	1118	12,954	14,071	0
MAY 10	1119	12,944	14,202	0
JUNE 10	1132	19,057	20,254	0
JULY 10	1129	16,754	18,049	0
AUGUST 10	1135	15,063	16,516	0
SEPTEMBER 10	1136	14,332	15,360	0
<b>TOTALS →</b>		<b>158,763</b>	<b>172,119</b>	<b>0</b>

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l

(If more than one well, please list each separately.) E-5A: 4.9 PPB - 4/16/09

E-13A: 5.1 PPB - 4/16/09

NP-2: <5.0 PPB - 3/2/09

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( X ) Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010**

W-11

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 09	1,349	7,410 *	7,869	0
NOVEMBER 09	1,346	7,456	8,273	0
DECEMBER 09	1,344	6,039 *	6,217	0
JANUARY 10	1,341	7,609 *	7,904	0
FEBRUARY 10	1,343	6,735 *	6,356 *	0
MARCH 10	1,344	7,657	7,823	0
APRIL 10	1,332	7,806	8,020	0
MAY 10	1,331	7,892 *	7,861 *	0
JUNE 10	1,331	8,866	9,092	0
JULY 10	1,329	7,372	7,413	0
AUGUST 10	1,329	6,882	7,148	0
SEPTEMBER 10	1,328	5,752	5,989	0
TOTALS →		87,456	89,965	0

\*within storage capacity of 1,000,000 gals

What is the level of arsenic for each well on your system? \_\_9.3 ppb 4/16/09

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000\_\_GPM for \_\_2\_\_hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( X ) Yes ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME: FARMERS WATER CO.			09/30/10
Name of System:	Sahuarita Highlands	ADEQ Public Water System Number:	10-414

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 09	25	130 *	126 *	0
NOVEMBER 09	25	359	377	0
DECEMBER 09	23	128 *	103 *	0
JANUARY 10	23	140	182	0
FEBRUARY 10	23	138 *	118 *	0
MARCH 10	24	227 *	181 *	0
APRIL 10	24	146	217	0
MAY 10	24	219	230	0
JUNE 10	29	593 *	557 *	0
JULY 10	29	172 *	196 *	0
AUGUST 10	29	193 *	175 *	0
SEPTEMBER 10	31	360 *	398 *	0
TOTALS →		2,805	2,860	0

\*Within Storage Capacity of 200,500 gals/Construction H2O 38% of Total

What is the level of arsenic for each well on your system? <5.0 ppb 3/4/09  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000\_\_ GPM for \_\_2\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( X ) Yes ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( X ) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Farmers Water Co YEAR ENDING 09/30/10

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ **19,930 FISCAL YR**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

STATE OF Az.  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>WARREN E. GILBERTSON CEO, FARMERS H<sub>2</sub>O Co.</u>
COMPANY NAME	<u>FARMERS WATER CO.</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

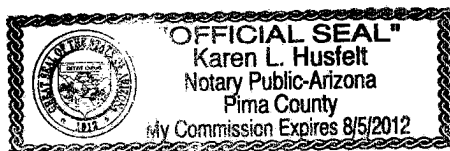
MONTH	DAY	YEAR
<u>09</u>	<u>30</u>	<u>2010</u>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**



Warren E. Gilbertson  
SIGNATURE OF OWNER OR OFFICIAL

1-520-879-7473  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 14th **DAY OF**

(SEAL)

**MY COMMISSION EXPIRES** 8/5/2012

COUNTY NAME	<u>PIMA</u>
MONTH	<u>March</u>
	<u>2011</u>

Karen L. Husfelt  
SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME** Farmers Water Co. **YEAR ENDING 09/30/10**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

NOT APPLICABLE AS TAX RETURNS ARE  
FILED AS MEMBER OF A CONSOLIDATED  
GROUP WITH FARMERS INVESTMENT CO

State Taxable Income Reported  
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 41,120

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances 41,120

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Warren E. Culbertson  
**SIGNATURE**

3/14/11  
**DATE**

WARREN E. CULBERTSON  
**PRINTED NAME**

CEO  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF AZ.  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>WARREN E. CULBERTSON, CEO</u>
COMPANY NAME	<u>FARMERS WATER CO.</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>09</u>	<u>30</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING FISCAL YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,586,827

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 45,627  
IN SALES TAXES BILLED, OR COLLECTED)

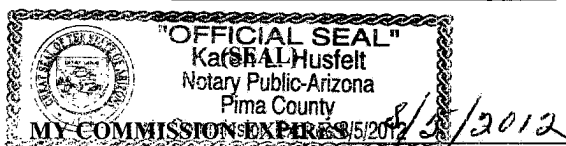
**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

Warren E. Culbertson  
SIGNATURE OF OWNER OR OFFICIAL  
1-526 879-7473  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 14th **DAY OF**



COUNTY NAME	<u>PIMA</u>	
MONTH	<u>MARCH</u>	<u>2011</u>
<u>Karen Husfelt</u> SIGNATURE OF NOTARY PUBLIC		

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <u>PIMA</u>	
NAME (OWNER OR OFFICIAL) <u>WARREN E. GULBERTSON</u>	TITLE <u>CEO</u>
COMPANY NAME <u>FARMERS WATER CO.</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>09</u>	<u>30</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING FISCAL YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 506,806

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 37,244

IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

Warren E. Gulbertson  
SIGNATURE OF OWNER OR OFFICIAL

879-7473

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

NOTARY PUBLIC NAME <u>KAREN HUSFELT</u>	
COUNTY NAME <u>PIMA</u>	
MONTH <u>March</u>	20 <u>11</u>

**DAY OF**

**"OFFICIAL SEAL"**

Karen L. Husfelt  
Notary Public-Arizona  
Pima County

My Commission Expires 8/5/2012

**MY COMMISSION EXPIRES**

8/5/2012

X Karen Husfelt  
SIGNATURE OF NOTARY PUBLIC